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STATE OF MONTANA
BOARD OF INVESTMENTS
DEPARTMENT OF ADMINISTRATION

ANNUAL REPORT TO THE GOVERNOR

FISCAL YEAR 1974

JAMES R. HOWETH

Investment Officer

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STATE OF MONTANA

DEPARTMENT OF ADMINISTRATION

BOARD OF INVESTMENTS



STATE CAPITOL BUILDING
HELENA, MONTANA 59601
(406) 449-2656

October 10, 1974

Honorable Thomas L. Judge
Governor of Montana
Capitol Building
Helena, Montana 59601

Dear Governor Judge:

In accordance with the requirements of Section 82-4002, R.C.M. 1947, there is herewith transmitted to you the report of the Board of Investments, covering the fiscal year ended June 30, 1974.

Major accomplishments are:

- Increased the investment earnings to the General Fund 162% to \$8.9 million.
- Increased the investment earnings on total State's investments 50% to \$30 million.
- Implemented a short-term investment pool for use of state agencies as well as all cities and counties within the state.
- Instituted a common stock investment program for the retirement funds.

Respectfully yours,

James R. Howeth
INVESTMENT OFFICER

TABLE OF CONTENTS

Principal Officers and Office	1
Legal References	2
Program Goals, Objectives, and Achievements	3
Program Cost Summary	4

PRINCIPAL OFFICERS AND OFFICE

BOARD MEMBERS

Paul D. Caruso, Chairman
Dean H. Albert
Robert Amrine
Victor H. Fall
Maxine Johnson

TERM EXPIRES

January 1, 1975
January 3, 1977
January 3, 1977
January 1, 1975
January 3, 1977

OFFICERS

James R. Howeth
David J. Brown

Investment Officer
Assistant Investment Officer

OFFICE

Mitchell Building

Helena, Montana

LEGAL REFERENCES

The statutes relating to the responsibilities of the Board of Investments are contained in sections 79-301, 79-306, 79-601, 79-1215, 82A-204, and 82A-205, R.C.M. 1947.

"82A-204 (4) The board of investments has the sole authority to exercise the investment function transferred to it under section 82A-205 of this chapter. No other agency may invest state funds. All laws governing the exercise of the investment functions remain in effect and the board shall direct the investment of state funds in accordance with those laws and the constitution of this state."....

BOARD OF INVESTMENTS

PROGRAM GOALS, OBJECTIVES, AND ACHIEVEMENTS

GOAL

- Provide professional, efficient, and effective investment management of all State investment funds.

OBJECTIVES

- Increase the investment earnings on the State's investment portfolios.
- Establish a sound system of control over the investment process, including unified accounting procedures.

ACHIEVEMENTS

- Increased the investment earnings to the General Fund 162% to \$8.9 million.
- Increased the investment earnings on total State's investments 50% to \$30 million.
- Implemented a short-term investment pool for use of state agencies as well as all cities and counties within the state.
- Instituted a common stock investment program for the retirement funds.
- Total funds under management increased 22% to \$466 million.
- Processed \$1.8 billion in security transactions, an increase of over 100% from the prior year.
- Published the State's second annual report on investments.

BOARD OF INVESTMENTS

PROGRAM COST SUMMARY

	FY 1974	FY 1973	Increase (Decrease) in FY 1974
SUMMARY BY PROGRAM			
Investment Program	<u>\$141,275</u>	<u>\$ 98,418</u>	<u>\$ 42,857</u>
SUMMARY BY CATEGORY			
Personal Services	\$ 81,604	\$ 57,336	\$ 24,268
Operating Expenses	56,142	40,933	15,209
Equipment	<u>3,529</u>	<u>149</u>	<u>3,380</u>
TOTAL SUMMARY BY CATEGORY	<u>\$141,275</u>	<u>\$ 98,418</u>	<u>\$ 42,857</u>
SUMMARY OF FUNDING			
General Fund #01100	\$ 68,894	\$ 68,418	\$ 476
Teachers' Retirement System			
Accounting Appropriation		7,000	(7,000)
Public Employees Retirement System			
Accounting Appropriation		12,000	(12,000)
Social Security Accounting			
Appropriation		9,000	(9,000)
Workmen's Compensation Accounting			
Appropriation		2,000	(2,000)
Investments RA #07260	<u>72,381</u>	<u>-0-</u>	<u>72,381</u>
TOTAL SUMMARY OF FUNDING	<u>\$141,275</u>	<u>\$ 98,418</u>	<u>\$ 42,857</u>